

**KENTUCKY FRONTIER GAS, LLC  
dba EAST KENTUCKY UTILITIES, INC.  
P.O. BOX 408  
PRESTONSBURG, KY 41653**

RECEIVED  
MAY 04 2009  
PUBLIC SERVICE  
COMMISSION

April 20, 2009

Ms. Leah Faulkner  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfurt, KY 40602-0615

2009-00177

Re: Gas Cost Recovery Rate  
Kentucky Frontier Gas, LLC  
dba Belfry Gas Company, Inc.

Dear Ms. Faulkner:

On behalf of Kentucky Frontier Gas, LLC dba, Belfry Gas Company, Inc. we are filing for Gas Cost Recovery for the period commencing June 1, 2009.

Enclosed is a Rates and Charges form and related calculations on which we base our request for rate changes. The cost of gas from Belfry's suppliers, Kinhag Development Company, LLC have been estimated for the calendar quarter beginning June 1, 2009.

If you have any questions, please call me at 303-422-3400.

Sincerely,

KENTUCKY FRONTIER GAS, LLC  
dba BELFRY GAS COMPANY, INC..



Robert J. Oxford, Member  
Kentucky Frontier Gas, LLC

RJO:psp

Enclosure



Company Name

Belfry Gas Company, Inc.

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

April 29, 2009

Date Rates to be Effective:

June 1, 2009

Reporting Period is Calendar Quarter Ended:

February 28, 2009

SCHEDULE II  
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended						February 29, 2009					
(1)	(2)	(3)	(4)	(5)**	(6)						
Supplier	Dth	BTU Conversion Factor	Mcf	Rate	(4) X (5) Cost						
Kinhag Development Co., LLC			40,182	6.00	241,092						

Totals			40,182		241,092						
Line loss for 12 months ended		February 29, 2009s		0	%	based on purchases of					
40,182		Mcf and sales of		42,116		Mcf.					

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	241,092
÷ Mcf Purchases (4)	Mcf	40,182
= Average Expected Cost Per Mcf Purchased	\$/Mcf	6.00
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	40,182
= Total Expected Gas Cost (to Schedule IA)	\$	6.00

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.  
\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	6.00
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	<u>(-3.0297)</u>
= Gas Cost Recovery Rate (GCR)		2.093
GCR to be effective for service rendered from <u>June 1, 2009</u> to <u>August 31, 2009</u>		
<hr/>		
A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	
÷ Sales for the 12 months ended	Mcf	
= Expected Gas Cost (EGC)	\$/Mcf	
B. <u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch.III)		
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
= Refund Adjustment (RA)	\$/Mcf	
C. <u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(-3.0297)
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
= Actual Adjustment (AA)	\$/Mcf	
D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)	\$/Mcf	

## Belfry Gas Company, Inc.

### Schedule IV Actual Adjustment

For the 5 month period ending		<u>28-Feb-09</u>				
<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>Oct-08</u>	<u>Month 2</u> <u>Nov-08</u>	<u>Month 3</u> <u>Dec-08</u>	<u>Month 4</u> <u>Jan-09</u>	<u>Month 5</u> <u>Feb-09</u>
Total Supply Volumes Purchased	MCF	888	3,771	7,033	5,955	7,901
Total Cost of Volumes Purchased	\$	8,293	30,951	61,021	46,735	46,931
(divide by) Total Sales (not less than 95% of supply)	MCF	888	3,766	7,028	6,697	9,106
(equals) Unit Cost of Gas	\$/MCF	9.3390	8.2185	8.6826	6.9785	5.1539
(minus) EGC in effect for month	\$/MCF	11.6984	11.6984	11.6984	11.6984	11.6984
(equals) Difference	\$/MCF	(2.3594)	(3.4799)	(3.0158)	(4.7199)	(6.5445)
(times) Actual sales during month	MCF	888	3,766	7,028	6,697	9,106
(equals) Monthly cost difference	\$	(2,095)	(13,105)	(21,195)	(31,609)	(59,595)

Total Cost Difference		<u>Unit</u>	<u>Amount</u>
		\$	(127,600)
(divide by) Sales for 12 Months ended	Feb 28, 2009	MCF	42,116
(equals) Actual Adjustment for thr Reporting Period (to Schedule I C.)		\$/MCF	(3.0297)